



COMMONWEALTH of VIRGINIA

Information Technology Investment Board

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For immediate release
October 25, 2005

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Information Technology Investment Board Recommends Technology Modernization Partnership with Northrop Grumman

RICHMOND — The Virginia Information Technology Investment Board today voted unanimously to select Northrop Grumman for a potential 10-year partnership agreement valued at \$1.986 billion to modernize the Commonwealth's information technology (IT) infrastructure and services.

In addition to updating the Commonwealth's deteriorating 1980s infrastructure, the Northrop Grumman proposal calls for:

- Job growth in economically distressed areas of Southwest Virginia;
- Attractive employment options for employees: and,
- An innovative funding model.

If approved by Governor Mark R. Warner, the partnership will be managed by the Virginia Information Technologies Agency (VITA) and will provide a streamlined, 21st century infrastructure with no additional taxpayer dollars above current funding levels.

"Transforming the IT infrastructure is critical to the operations of state government and improved citizen services," said IT Investment Board Chairman James F. McGuirk II. "Doing nothing would end up costing the state an additional \$200 million over the next 10 years to support an increasingly outdated and expensive infrastructure. We must act quickly, and Northrop Grumman provided an excellent technical solution, an outstanding commitment to employees and the Commonwealth, and a compelling business model for change."

The board is recommending the approval of an Interim Comprehensive Infrastructure Agreement between the Commonwealth and Northrop Grumman. If approved by the Governor,

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the interim phase of the agreement will allow both parties to begin planning transition activities and could become final upon completion of General Assembly and other reviews.

“The board commends the unprecedented commitment and innovation of both proposal finalists, Northrop Grumman and IBM,” said McGuirk. “Both firms have the gratitude of the board and the Commonwealth for investing nearly two years of time, millions of dollars, and considerable expertise and innovation into their proposals for the benefit of Virginia citizens.”

The interim agreement -- if approved -- will be made available to the public following review by the Governor and his Cabinet and signature by the chief information officer of the Commonwealth. The recommended agreement includes the option of one three-year renewal, and includes the hardware, networks, and associated services and staff for mainframes, servers, desktop and laptop computers, voice and data networks, operating systems, e-mail, security, help desk services, and data center facilities.

The Commonwealth received proposals submitted under the Public Private Educational Facilities and Infrastructure Act of 2002 (PPEA) for modernizing the IT infrastructure beginning in late 2003. The board today recognized more than 60 individuals representing 14 state agencies who participated in the highly collaborative and comprehensive review of proposals under the leadership of Infrastructure PPEA Program Director Fred Duball.

About the PPEA

PPEA was passed by the 2002 General Assembly to bring private sector expertise to bear on public projects. <http://www.vita.virginia.gov/ppea/ppea.cfm>.

About the IT Investment Board

The IT Investment Board was established by the 2003 General Assembly to oversee and prioritize technology investments across state government, hire the chief information officer of the Commonwealth and operate the Virginia Information Technologies Agency. <http://www.vita.virginia.gov/ITIB/ITIB.cfm>.

About the Virginia Information Technologies Agency

VITA is the Commonwealth's recently consolidated technology services and solutions provider responsible for the operation of the state's technology infrastructure, governance and oversight of major IT projects, enterprise solutions, and procurement of technology-related goods and services on behalf of state and local governments. <http://www.vita.virginia.gov>.

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